
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 9.24.2009

Wall Street Journal: "Home Buyers Get a Reprieve ... The Federal Reserve, in a move aimed at keeping interest rates low for home buyers through early next year, decided to extend and gradually phase out its purchase of mortgage-backed securities."

Wall Street Journal: "Bank Pay and the Financial Crisis ... The developed world's financial regulators and political leaders have, as one, decided what caused the financial crisis: the compensation systems used by banks to reward their employees. So the only question to be discussed at the G-20 summit that begins today in Pittsburgh is how draconian the restrictions on banker compensation should be."

Wall Street Journal: "Democrats Soften Financial Bill ... Congressional Democrats and the White House are softening some elements of the Obama administration's proposal to overhaul financial-market supervision as they begin a push to win broader support for the bill."

Wall Street Journal: "Investors Worry Global Overhaul Will Weaken the Dollar ... World leaders' moves at the Group of 20 meeting in Pittsburgh this week will be closely watched by investors worried that a reshaping of the global economy could affect the dollar's dominant role in trade and finance."

Wall Street Journal: "As Banks Retreat, Lawmakers Press Attack ... The U.S. banking industry's signs of retreat on certain account fees mightn't satisfy Washington lawmakers, including some who said Wednesday they are pushing ahead with broad restrictions on fee policies at banks."

The Washington Post: "Geithner Presses for Regulatory Overhaul ... Treasury Secretary Timothy F. Geithner on Wednesday once again pressed Congress to pass a comprehensive overhaul of the nation's financial regulatory system, telling members of the House Financial Services Committee that "we can't let the momentum for reform fade as the memory of the crisis recedes."

The Washington Post: "Fed Prepares to End Mortgage Program ... The economy has "picked up" in recent weeks, Federal Reserve policymakers said Wednesday, as they indicated that the end is within sight for a massive program to support mortgage lending."

Washington Examiner: "Democrats on path to repeat housing disaster ... With all the attention paid to the health care battle, ACORN, and the president's "Full Ginsburg" appearances on five Sunday talk shows, few people noticed a hearing with an exceedingly boring title -- "Proposals to Enhance the Community Reinvestment Act" -- held last week in the House Financial Services Committee."

NY Times: "White House Pares Its Financial Reform Plan ... In a step toward overhauling the nation's financial regulation, a senior Democrat on Wednesday announced a plan that preserved the core of the White House's proposal for a new consumer financial protection agency, while jettisoning a smaller though symbolically significant provision that had posed political obstacles."

NY Times: "Fed to Lower Safety Net, but Gingerly ... The Federal Reserve, acknowledging that an economic recovery has begun, took a cautious step on Wednesday toward weaning the housing market off its trillion-dollar support program."

NY Times: "Investors Retreat as Post-Fed Rally Quickly Fades ... Wall Street got an initial lift on Wednesday from the Federal Reserve's assessment that an economic recovery was under way, but the glow faded fast, dragging stocks to their second day of losses this week.

NY Times: "Britain's Top Financial Regulator Takes On Banks ... "Crackers." "Insulting." "Stupid.""

LA Times: "White House retreats on key part of proposed financial overhaul ... Lawmakers began an intensive push to pass the most sweeping revision of financial regulations since the Great Depression, but the Obama administration's proposed overhaul might undergo an overhaul itself along the way."

LA Times: "Federal Reserve leaves interest rates near zero ... The Federal Reserve said Wednesday that it would keep short-term interest rates near zero for the foreseeable future, even though the central bank acknowledged that the economy was recovering from its long downturn."

LA Times: "Mortgage modification event set for L.A. ... More than 50,000 homeowners are expected to begin streaming through the Los Angeles Convention Center today, hoping for a hand in restructuring their mortgages or avoiding foreclosure."

LA Times: "Sale of two-year Treasury notes attracts strong demand ... Despite its already-record borrowing binge this year, the U.S. Treasury demonstrated Tuesday that it's having no trouble selling more debt."

USA Today: "G-20's vows against protectionism not always kept ... As President Obama and other leaders of the G-20 nations prepare to meet today in Pittsburgh, it's worth recalling what became of their previous promises."

USA Today: "Big banks to lighten overdraft rules ... As Congress considers legislation to crack down on bank overdraft fees, the industry is starting to scale back some controversial practices."

USA Today: "Optimistic Fed all but declares recession over ... The Federal Reserve provided its most upbeat assessment yet of the economy on Wednesday, suggesting the recession is over and growth could be more robust than it previously anticipated."

USA Today: "Moody's: Credit card defaults in August rise to record ... The U.S. credit card charge-off rate rose to a record high in August, as more Americans lost their jobs, Moody's Investors Service said Wednesday, in another sign consumers remain under stress."

USA Today: "Home loan demand jumps as mortgage rates fall below 5% ... Mortgage applications jumped 12.8% last week as interest rates fell below 5%, the Mortgage Bankers Association said Wednesday."

The Washington Times: "Obama seeks economic balance from G-20 ... With the world's major economies having stepped back from the brink of a devastating meltdown, President Barack Obama comes to a global summit here pushing a slimmed-down agenda designed to prevent a repeat of the conditions that caused such panic a few months ago."

The Washington Times: "Fed keeps rates low in 'weak' recovery ... The Federal Reserve on Wednesday said the economy has significantly improved and likely is growing again, led by gains in the long-stalled housing market."

Reuters: "Fed's exit strategy may use money market funds: report ... The U.S. Federal Reserve is studying the idea of borrowing from money market mutual funds as part of eventual steps to withdraw stimulus, the Financial Times reported on Thursday."

Reuters: "Geithner urges watchdog, Frank cites death panels ... U.S. Treasury Secretary Timothy Geithner argued forcefully on Wednesday for creating a government watchdog for financial consumers, while giving cautious support to paring back its scope."

Bloomberg: "Fed Signals Growth Return Insufficient to End Monetary Stimulus ... The Federal Reserve signaled that the U.S. economy's return to growth is insufficient to withdraw stimulus as officials seek to reduce the highest unemployment rate in a quarter century."

Bloomberg: "FDIC Is Broke, Taxpayers at Risk, Bair Muses: Jonathan Weil ... The FDIC's insurance fund is going broke, and Sheila Bair is wondering aloud about how to replenish it. This means one thing for taxpayers: Watch your wallets."

Barron's: "Hope I'm Wrong About the Bernanke Fed ... That is one inference that may be drawn from the monetary policy decision of the Federal Open Market Committee after its first meeting since President Obama's surprisingly early renomination of Ben Bernanke to a second term as Fed chairman."

Fortune: "The Recession Isn't Over, Ben ... Just because Ben Bernanke says the recession is over doesn't make it so. The chairman of the Federal Reserve may be technically correct that the economy is in recovery, but the average American is not impressed by slight upticks in the indicators."

Politico: "More Dems now support watchdog ... It's taken longer than he planned, but House Financial Services Committee Chairman Barney Frank appears to be closing in on the support he needs to create a new federal agency to oversee mortgages, credit cards and other consumer products of the financial services industry."

Roll Call: "Frank's Move Buys Bankers ... Emboldened by House Financial Services Chairman Barney Frank's move to limit the breadth of President Barack Obama's proposed regulatory reforms for the financial industry, financial services lobbyists are turning up the pressure on moderate Democrats on the panel to push for more concessions."